DEPARTMENT OF INDUSTRY

ANNUAL REPORT

1989-1990

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91-03700/

Lieutenant Governor of Prince Edward Island

The Honourable Marion Reid

May It Please Your Honour:

I have the honour to submit, herewith, the Annual Report of the activities of the Department of Industry, for the period April 1, 1989 to March 31, 1990.

Your obedient Servant,

Robert Morrissey

Robert Morrissey
Minister

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C1A 7N8

Office of the Deputy Minister

Honourable Robert Morrissey
Minister
PEI Department of Industry

Dear Mr. Morrissey:

It is my pleasure to submit the PEI Department of Industry's Annual Report for the 1989-90 fiscal year. The Department continues to offer a broad range of programs and services to meet the training and business needs of Islanders.

This year was a particularly exciting one for the Department with the announcement of two new potato processing initiatives. The Department is looking forward to working with the proponents in 1990/91 to establish one new potato processing plant and to carry out modernization and expansion of another.

The 1989/90 fiscal year saw a tremendous interest in establishing or expanding small businesses throughout Prince Edward Island. The Department's programs and services have been in heavy demand. As well, the Economic and Regional Development Agreement has proven to be a very valuable tool in facilitating worthwhile economic development projects.

This year, the Advisory Council on Free Trade was established to provide Government with advice on potential opportunities for PEI businesses. We are looking forward to their report and recommendations in 1990/91.

Assistance was provided for the first time by the Department of Industry for the annual Science Fair, which provides students with the opportunity to compete for prizes as well as the right to represent PEI at the Canada-wide science fair. We are pleased to encourage young students to consider science as a potential career. Initiatives were also undertaken to increase the public awareness of the importance of science and technology.

Thus, 1989/90 has been both an exciting and challenging year. I am confident that 1990/91 will be equally challenging.

My staff and I are looking forward to meeting the challenges.

Sincerely yours,

Ginger Breedon

Ginger Breedon

ADMINISTRATION DIVISION

ADMINISTRATION

The approved operating budget of the Department for the fiscal year ended March 31, 1990, was $15,042,400. Actual expenditures during the year amounted to $13,164,746.

The approved Revenue budget estimate for the fiscal year was $8,844,200. Actual revenue received was $7,283,298.

A detailed financial breakdown of expenditures and revenue can be found in Appendix A.

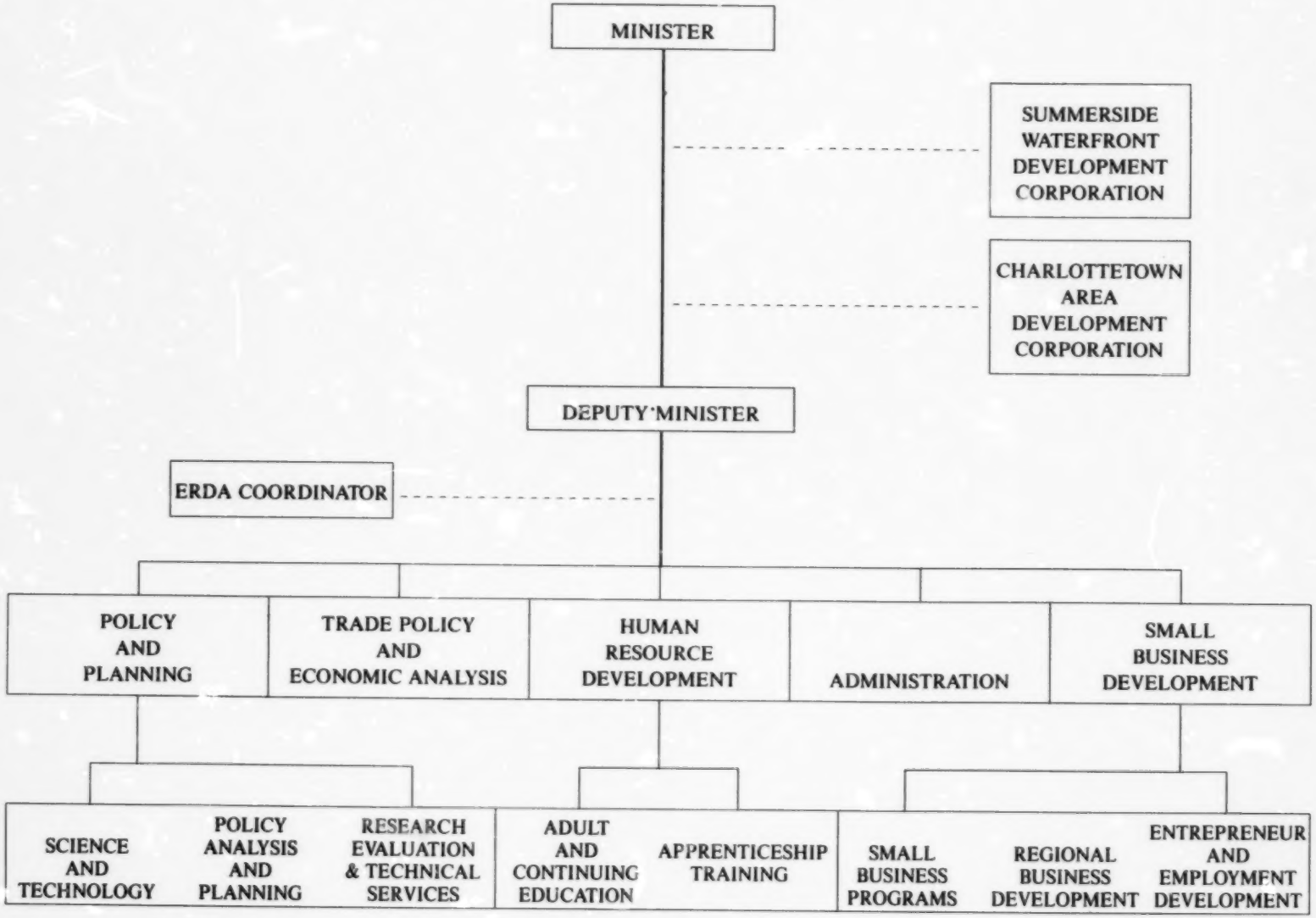
The total staff complement at March 31, 1990, was 44 employees (35 permanent full-time, 1 Executive, 3 contract, 1 full-time relief, 1 full-time temporary, and 3 full-time seasonal). The large decrease in the Department's staff is a result of the Provincial Government re-organization during the fiscal year which resulted in the transfer of the Community Economic Development Division to the Department of Community and Cultural Affairs. Figure "1", on reverse side, presents the Departmental "Organizational Chart" in Division and Section form.

Primary functions carried out by the Administration Section included accounting, personnel, budgeting, inventory control, management and administrative support services.

Figure 1
March 31, 1990

ORGANIZATIONAL CHART

DEPARTMENT OF INDUSTRY



HUMAN RESOURCE DEVELOPMENT DIVISION

The Human Resource Development Division provides training and human resource development programs designed to meet the needs of Prince Edward Island employers and employees. In this respect, the Division works closely with the Canada Employment and Immigration Commission (CEIC) to determine the training needs of employers and employees. In co-operation with CEIC, the Division provided skill training, upgrading and apprenticeship training for approximately 500 Islanders through the Canada/PEI Training Agreement. During the year there were 100 new apprentices registered in the Apprenticeship Program. As well, approximately 600 individuals received academic upgrading through Adult Night Classes funded throughout the Province. In addition, young adults are increasingly aware of the necessity to upgrade their academic training if they are to be eligible for training and for jobs.

With continuing changes in the workplace brought about by new technology and demands for more highly skilled workers there are increasing requirements for higher reading and math levels of employees. The Department in a cost sharing initiative with the Secretary of State has used the resources of Holland College to begin the development of an Adult Basic Education Curriculum. This project will have very significant positive implications for adult academic upgrading in the province. Realizing this the Province is attempting to be increasingly supportive of literacy training initiatives, especially during 1990 which is International Literacy Year.

Federal/Provincial liaison activities regarding use of unemployment insurance funds for training have been ongoing as Federal training policies are undergoing significant changes. These discussions will continue.

ADULT AND CONTINUING EDUCATION SECTION

Canadian Jobs Strategy - Direct Purchase Option

A three year Federal/Provincial Training Agreement signed in June 1986, expired March 31, 1989. This Agreement has been extended by the Federal Government to March 31, 1991 pending negotiations with the Province leading to the signing of a new Agreement. Under the terms of this Agreement Prince Edward Island received $2,833,600 in 1989/90 for the purpose of conducting training programs for labour market entrants and participants. Much of the Direct Purchase training is limited to what is approved on a "Designated Occupational Skill Shortages List." This list reflects occupations that are in short supply and are recommended by a local committee and approved at the PEI Regional Office of the Canada Employment and Immigration Commission (CEIC).

The following is a list of some of the training courses offered in 1989/90:

Preparation for Employment	58 places
Electro-Mechanical Technology	50 places
Preparation for Vocational Training	42 places
Bricklaying	36 places
Silviculture Worker	36 places
Career Exploration for Women	34 places
Deck Officer Upgrading	30 places
Licensed Nursing Assistant	27 places
Resident Care Worker	25 places
English as a Second Language	15 places
Computer Applications Programmer	6 places
Aquaculture Technician	5 places

Courses offered in the past were also modified to better address the needs of the labour market and the trainees. In addition to a variety of curriculum changes, entrance requirements were also altered. Below is a statistical summary of the number of training days funded under the Canada/PEI Training Agreement.

Statistical Summary

	1986/87	1987/88	1989/90
Student Days	79,073	65,569	54,758
Number of Courses	121	89	67
Courses Cancelled	3	2	2
Training Costs	$3,676,864	$3,010.242	$2,864,009

Adult Night Class Program

The Adult Night Class Program, funded by the Province and delivered by Holland College, provides adults with an opportunity to upgrade their academic achievement level as far as Grade 12 through twice-weekly attendance at evening classes.

An evaluation of the Night Class Program was conducted in 1987/88 by the Research and Analytical Services Section in co- operation with the Adult and Continuing Education Section. Most of the evaluation's recommendations have been implemented. A revised curriculum developed for both part-time and full-time basic education students will be pilot tested in Charlottetown during the 1990/91 academic year.

Statistical Summary - Adult Night Class Program for 1989-90

LOCATION	NUMBER OF CLASSES	TOTAL ENROLLMENT	NUMBER OF TEACHERS
Extension West			
Elmsdale	1	16	2
Summerside	6	148	10
Ellerslie	1	12	2
Kensington	3	58	4
Tignish	1	23	1
Sub-total	12	257	19
Extension East			
St. Teresa	1	22	1
Sleepy Hollow	1	24	1
Souris	2	40	3
Montague	3	53	3
Charlottetown	4	239	10
Sub-total	11	378	18
TOTAL	23	635	37

Literacy Training

The Province continues to contribute funds to the volunteer Literacy Councils of Prince Edward Island toward their work of teaching adults to read and write. These volunteers are to be commended for the generous sharing of their time and talents in this humanitarian endeavour.

Federal/Provincial Literacy Initiatives Program

The Department of Industry in partnership with the National Literacy Secretariat of the Department of Secretary of State funds projects that increase awareness of and address the problems of adult illiteracy on Prince Edward Island. As 1990 is International Literacy Year a special effort has been focused on the issue. Projects that were supported during 1989/90 include:

(1) **Holland College** - Development of an Adult Upgrading Curriculum.

(2) **PEI Association for Adult Education** - Launching a public awareness campaign and awards ceremony to focus attention on literacy and academic upgrading opportunities available on Prince Edward Island.

(3) **St. Thomas Aquinas Society** - Providing a French literacy program for Francophones.

(4) **PEI Learning Disabilities Association of PEI** - Organizing a conference on learning disabilities and literacy and providing resource materials for teachers and parents.

(5) **Professional Librarians Association of PEI** - Organizing a series of literacy resource centers within the provincial library system for learners, tutors and teachers.

(6) **Laubach Literacy of Canada/PEI** - Three projects were supported including the toll-free reading line, development of a reference guide for tutors and the advanced training of literacy tutors.

Joint Federal/Provincial Labour Market Needs Committee Structure

The Joint Committee structure is the mechanism by which the Provincial and Federal Government are able to resolve many labour market issues of mutual concern and often of joint responsibility. The Committees deal with such issues as purchases of training courses, immigration and the Federal/Provincial Training Agreement. The section provides secretariat services and implements the decisions of the Committee.

Training Plan Preparation

The Section consulted with Federal and other Provincial Departments which have involvement in the training courses the Province co-sponsors with the Canada Employment and Immigration Commission.

After the adult training requirements were obtained from the various representatives of government, labour, management and other sources, and a thorough review of labour market needs was completed, the Annual Training Plan was prepared for submission to the Joint Federal/Provincial Labour Market Needs Committee for review and ratification. The Training Plan was funded in the amount of $2,833,600.

Other Projects

Responses were made to inquiries on such human resource issues as training, unemployment insurance and employment opportunities.

The Adult Occupational Course Cost System developed in 1987/88, which records information on previously-offered and current courses, continues to enable staff to more easily determine the payments to be made to training institutions and to more quickly respond to the need for financial reports on course expenditures.

APPRENTICESHIP AND INDUSTRIAL TRAINING SECTION

Apprenticeship Training

The Apprenticeship and Industrial Training Section provides programs and services that address the training needs of adults. In-school training was provided for 221 apprentices in 18 trades. Apprentices registered in the program remained at the same level as 1988/89 year. See Table 1 (pg. 8) for more detailed information.

The following examinations were administered during the year.

Type	Number
Pre-apprentice	75
Block Release for Apprentices	157
Module for Apprentices	288
Interprovincial for Apprentices	60
Interprovincial for Journeymen	9
Certificate of Qualification	86
Certificate of Achievement	26
Total	701

Examination and training program updating is an ongoing activity. During the year the following were completed.

Provincial Program

- Industrial Electrical training outline.
- Welder Modular training outline and examinations.
- Plumber modular (started in 1989/90 and will be completed in 1990/91)
- Air Brakes examination for mechanics.
- Secretary Certificate of Qualification examination.
- Motor Vehicle Mechanic pre-apprentice examination.

Interprovincial Program

- Validation of Interprovincial Exams 7
- Validation of National Analysis 2
- Validation of Canada Occupational Outlines 6

The Section has responsibility for the Truck and Transport Interprovincial Examination. Work began on updating the examination and will be completed in the 1990/91 year.

Apprenticeship Training Officers monitor the progress of apprentices both on the job and in school during their technical training periods. During the year officers made 1708 visits to apprentices, employers and school instructors.

The Apprenticeship Advisory Board held six meetings during the year. In addition to routine business matters, the Board established a committee to consider factors that impact on apprentices making the transition from school to the work site, and on completing their term of apprenticeship. A final report should be available for the Board's consideration in the fall of 1990.

Canadian Jobs Strategy

The following Canadian Jobs Strategy proposals were received during 1989/90.

Program Stream	Number
Skill Investment	113
Skill Shortages	18
Job Entry	7
Job Development	
Individualized	74
General Projects	49
Total	261

Private Trade Schools Act

Under the Private Trade Schools Act, eight schools were registered, one of these was a new registration. During the year 52 requests for information pertaining to private schools and the Private Trade Schools Regulations were processed.

TABLE 1 TRADES	Apprentices Jan. 1/90	Apprentices Dec. 31/90	New Apprentices	Drop-Outs	In-School Training	Apprentices Qualified	Others Qualified	Total Certificates Issued To Date	Total Red Seals Issued To Date	Work Permits
Baker	0	0	0	0	0	0	0	1	x	x
Bricklayer	6	4	0	1	3	1	0	49	41	x
Cabinet Maker	3	4	2	1	2	0	0	14	x	x
Carpenter	69	76	29	9	53	13	8	582	272	x
Cook	11	10	4	1	7	4	13	140	87	x
Drafting	0	0	0	0	0	0	0	4	x	x
Electrician (Construction)	55	59	15	5	44	6	6	327	211	x
Electrician (Industrial)	4	7	4	0	5	1	2	11	2	x
Engine Fitter	0	0	0	0	0	0	0	1	x	x
Farm Equipment Mechanic	6	7	3	1	5	1	3	36	x	x
Hairstylist	0	0	0	0	0	0	1	6	6	x
Heavy Duty Equipment Mechanic	4	6	3	1	4	0	1	92	18	x
Industrial Instrument Mechanic	0	0	0	0	0	0	0	1	1	x
Industrial Mechanic (Millwright)	4	6	3	1	6	0	1	16	3	x
Lineman	10	12	3	0	4	1	1	77	18	x
Machinist	0	0	0	0	0	0	1	23	9	x
Motor Cycle Mechanic	0	0	0	0	0	0	1	23	x	x
Motor Vehicle Mechanic	41	50	21	8	32	4	3	717	248	65
M.V.M. (Electrical & Fuel)	0	0	0	0	0	0	0	12	x	x
Truck and Transport Mechanic	6	3	0	3	2	0	1	46	14	x
Motor Vehicle Body Repairer	16	16	5	5	5	0	4	143	44	x
M.V.M. (Transmission)	0	0	0	0	0	0	0	4	x	x
Oil Burner Mechanic	2	2	2	1	1	1	4	107	24	x
Painter & Decorator	0	0	0	0	0	0	1	6	2	x
Plumber	35	32	4	4	24	3	2	286	139	51
Radio & T.V. Repairer	0	0	0	0	0	0	0	4	0	x
Refrigeration & Air Conditioning	0	1	1	0	1	0	1	33	3	x
Secretary	0	0	0	0	0	0	0	38	x	x
Service Station Mechanic	2	3	2	0	0	1	17	532	x	x
Sheet Metal Worker	9	11	5	2	5	1	0	39	20	x
Small Equipment Mechanic	0	0	0	0	0	0	0	2	x	x
Sprinkler Fitter	1	1	0	0	1	0	3	3	2	x
Steamfitter/Pipefitter	0	0	0	0	0	0	0	42	17	x
Welder	25	16	3	7	17	5	4	104	49	x
TOTALS	309	326	109	50	221	42	78	3,521	1,224	116

x - Not available in this trade

POLICY AND PLANNING DIVISION

The Policy and Planning Division acts as a resource and support for the Department's other Divisions. The overall responsibilities of the Division are as follows:

- management of a variety of policy and program areas including science and technology, immigration, procurement, unemployment insurance, labour market information, computer and technical services within the Department (such as questionnaire design), and environmental issues within the Department;
- analysis of policy issues and provision of advice to senior management on a variety of issues;
- development of program proposals;
- program evaluation;
- preparation of a broad range of correspondence such as speeches, memos, and letters as required;
- coordination of Department input and responses.

The Division is divided into three sections. Following is a detailed description of each section's activities.

POLICY ANALYSIS AND PLANNING SECTION

The responsibilities of this section are divided into five (5) major areas.

Policy Analysis and Development

During the 1989/90 year, the section analyzed policy issues and presented recommendations to departmental management in the areas of immigration, procurement, environment, Investment Canada takeovers, and program development. As well, the section prepared policy/program proposals and coordinated the preparation of the Department's Annual Report and Operational Plan.

Immigration

The section has provincial responsibility for immigration which involves liaison with the Federal Government on the level of immigration to the Province. As well, the section is the provincial liaison for the Federal Business Immigration Program.

Staff met with interested immigrants concerning their business immigration plans. Proposals are referred to appropriate Provincial Departments to comment on the viability of the entrepreneur's business plan. During 1989/90, the Section referred a number of various proposals to other departments for their comments. As well, applications have been received under the Investor Category of the program, which is designed to encourage foreign investment in specific projects.

Procurement

The Section, in conjunction with the Trade Division, is responsible for procurement policy. During the 1989/90 year, departmental input was provided toward the development and implementation of the Maritime Procurement Agreement on the Reduction of Inter-provincial Trade Barriers, including the development of a regional procurement data network.

The Section represents the Department on the Federal/Provincial Task Force on Source Development and Access Committee, whose mandate is to create a broader Canadian supplier base offering increased procurement opportunities across the country.

Environment

Environmental Technical Review Committee

The Manager coordinates departmental input to the Environmental Technical Review Committee established to review development proposals which may have an impact on the environment. Copies of development proposals are received from the Department of the Environment and are circulated by the Manager of Policy Analysis and Planning to Directors within the Department and the PEI Development Agency for comment.

Maritime Environmental Goods and Services Committee

The Division provides departmental and provincial input as a member of the Maritime Environmental Goods and Services Committee. The Division is a member of an ad hoc committee directing a study on environmental goods and services producers, suppliers, and buyers in the Maritimes, and potential business opportunities.

Federal/Provincial Environmentally Friendly Products Committee

The Manager and a Department of the Environment representative are members of the Federal/Provincial Environmentally Friendly Products Committee established by Industry, Science and Technology Canada to coordinate provincial input on environmental goods and services.

Environmental Guidelines Review

The Manager is coordinating the review and changes to Departmental program guidelines to reflect environmental considerations on project proposals.

Memorandum of Understanding on Conservation Committee

The Manager represents the Department and provides input to the Memorandum of Understanding on Conservation Committee. This Memorandum of Understanding is a Federal/Provincial agreement established to improve communication and coordination of federal and provincial government departments activities designed to facilitate sustainable development of the natural resources of Prince Edward Island.

Land Use

The Section is a member of the Provincial Land Use Policy and Development Committee. The Committee has developed a Land Use and Development Policy Manual which documents existing departmental or agency policy related to land use and development in the Province and meets annually to review and recommend any changes. The Manager coordinates departmental input with respect to land use.

Investment Canada

The Manager reviews proposals submitted from Investment Canada regarding takeovers of companies by large corporate entities and identify any impact these takeovers may have on the Province (e.g. if the number of jobs will be affected) and to provide recommendations to senior management. Approximately, ten to twelve takeover applications are reviewed per year.

RESEARCH AND ANALYTICAL SERVICES SECTION

The Section has responsibility for the following areas:

Policy Analysis

Prepares analytical reports and provides advice on the effects of Federal Government policy and program changes on the Provincial economy. During 1989/90, the Section analyzed data to determine the impact of the unemployment insurance changes for the Province. As well, the Section assisted other Departmental staff in assessing the impact of the closure of the Canadian Forces Base in Summerside.

Coordinating Development of Information Systems

Through consultation with department officials, the Section updated and supervised the implementation of the Department's Information Resource Management Plan. This Plan outlines current computer equipment and future information systems and equipment requirements.

The Section also maintains the Industry Program Database system which contains data on various programs and services provided to employers throughout Prince Edward Island by the Department as well as the PEI Development Agency.

The Section acts as Departmental coordinator regarding computer matters. For example, reviews and approves any user manuals developed for information systems and coordinates all Departmental computer equipment/software problems with the Province's Computer Services Division as well as the vendors.

Program Evaluation

The Section has responsibility for conducting evaluations of existing Departmental programs in order to assess their effectiveness and efficiency. The Section is also responsible for the coordination of Departmental responses to audit reports performed on the Department's programs by the Auditor General. During 1989/90, the Section coordinated the Department's response to an audit on the Small Business Enhancement Program.

The Section also provides technical services including design of questionnaires and forms within the Department and the PEI Development Agency.

Labour Market Analysis

The Section analyzes labour market and economic impacts. During 1989/90, the Section analyzed existing labour market data in the Labour Market Bulletin which is distributed to various private and public sector representatives both within and outside the Province.

On a monthly basis, an assessment of Statistics Canada's Labour Force Survey results for Prince Edward Island is prepared for distribution to the Minister, Deputy Minister and Premier's Office.

Labour Market Research

During 1989/90, the Section conducted the Annual Student Follow-Up of the 1988 graduates from the University of Prince Edward Island, Holland College post-secondary, full time vocational high school, and Canada Employment and Immigration sponsored courses. The purpose of this survey is to determine the graduates' success in obtaining employment. The survey results are compiled in a report which is distributed to junior and senior high school guidance counsellors throughout the Province.

As well, the Section updated six previously released community profiles to include 1986 census data.

Labour Market Forecasting

The Research, Evaluation and Technical Services Section has responsibility for liaison with the Federal Canadian Occupational Projection System which provides estimates on labour market supply and demand for the Province and the country. This system provides information on the projected employment by occupation and post secondary enrollment levels.

Public Requests for Information

During 1989/90, the Section responded to approximately 130 public requests for information concerning a wide range of topics such as wage rates by occupations, income levels, employment levels and unemployment rates. There were also a large number of requests received for publications prepared by the Section. The Section is pleased to respond to any public requests for labour market information.

Publications Released

During the 1989/90 year, the Section prepared the following reports for public distribution:

- Community Profiles (updated to the 1986 Census of Canada):
  - Belfast Area
  - Georgetown
  - North Central Kings Area
  - Southern Kings and Queens County Area
  - Wellington Area
  - West Prince Area
- Community labour Market Analysis, Paper based on the 1986 Census of Canada
- The Prince Edward Island Labour Market Bulletin - 1989.

The Section also has a listing of all the publications prepared by the Research, Evaluation and Technical Services Section and a brief description of the contents of each publication.

Copies of any of these publications can be obtained from the Research, Evaluation and Technical Services Section, PEI Department of Industry, 1st Floor, Sullivan Building or Island Information Services, 11 Kent Street, Charlottetown, PEI.

SCIENCE AND TECHNOLOGY SECTION

The Science and Technology section was staffed late in the 1989-90 fiscal year. A manager and a secretary were hired in September, 1989 and January, 1990, respectively.

The objectives of the Science and Technology Section are:

- to provide secretariat support to the PEI. Advisory Council on Science and Technology
- to provide policy and planning support for the Department in the area of Science and Technology
- to promote the development of innovative industries and firms, encourage appropriate research and development, and assist businesses to acquire new technology.

The major activities of the section in the 1989/90 fiscal year are listed below.

1. **PEI Advisory Council on Science and Technology Secretariat**

   The PEI Advisory Council on Science and Technology is composed of 4 private sector and 7 public sector members appointed by the Minister. The mandate of the Council includes providing advice to the PEI Government and leadership to enhance science, innovation, industrial research and technology transfer on PEI. The section provides secretariat support and funding for the Council.

   During the year, the Council participated in a national Forum of Science and Technology Advisory Councils in Halifax and advised the government on a number of issues, including a campaign to improve public awareness of science and technology, and support for the PEI Science Fair.

2. **General Policy and Planning**

   The section is responsible for developing policy and program proposals to respond to opportunities in the science and technology area. During the year, the section drafted proposals on a number of policy and program areas including the guidelines for a new program (the Innovation PEI Program).

3. **Public Awareness of Science and Technology**

   The Department of Industry, on the advice of the Advisory Council, fully or partially funded a number of activities and projects designed to inform the public in general, and youth in particular, about the importance of science and technology. These activities and projects included:

   - the PEI Science Fair (April, 1989);
   - newsletters;
   - radio items;
   - a computer program with highlights on local Science and Technology firms;
   - a project (named "Fairly Scientific") which brought scientists, engineers, and technicians into almost all junior high school classrooms on PEI to speak about their jobs.

   As well, the Section represented the Province on a National Advisory Committee on Public Awareness of Science and Technology. This committee coordinates and exchanges information on the public awareness campaigns being conducted across Canada.

4. **Council of Science and Technology Ministers**

   The Council is composed of the Provincial, Territorial and Federal Ministers responsible for science and technology. The Department participates in the activities of the Council to ensure that Prince Edward Island's needs and views are recognized. Much of the recent work of the Council has involved the drafting of a National Action Plan on Science and Technology.

5. **Computer Industry**

   The Section acts as the Department's contact for the PEI Computer Industry Association. The goal of the PEI Computer Industry Association is to promote the development of the computer industry in PEI. Membership consists of firms and individuals working in the computer industry.

   The Section also cooperates with other institutions in the development of projects which enhance the computer industry on Prince Edward Island. These include a project to investigate the feasibility of an Island-wide computer network, proposals to form a national computer network and the National Software Conference.

6. The Business and Technology Exchange (B.A.T.E.)

During the year the Science and Technology Section provided expertise and advice in the development of a computerized information system for PEI businesses. This system, called the Business and Technology Exchange, will provide information on a number of topics, such as business opportunities, PEI government tenders, selected government assistance programs, and international trade matters.

7. Other Activities

In addition to the activities listed above, the section was involved in a number of other areas including:

- a committee which reviews applications received under the Technology Acquisition and Development program. This program is a component of the ERDA Industrial Sub-Agreement.
- discussions to establish an Atlantic Canadian program to encourage research and development related to Canada's space program.
- the provincial government contact for the Radarsat Satellite Program
- assisting other staff members of the Department of Industry on matters relating to science and technology.

SMALL BUSINESS DEVELOPMENT DIVISION

The primary role of the Division relates to management of programs and services directed to small business, entrepreneurs and employment development and regional development. In fulfilling this role, the Division also participates in related Departmental policy and planning initiatives.

Division Objectives

The major objectives of the Division are:

- to assist in the establishment of new businesses and the modernization or expansion of existing businesses;
- to encourage and assist regional economic development initiatives;
- to provide meaningful employment opportunities and work experience on Prince Edward Island;
- to manage, administer or co-ordinate, as appropriate, Division policy and program mandates to ensure they are implemented in a timely and efficient manner; and,
- to ensure the benefits of the Division's programs and services are available throughout Prince Edward Island.

Activities

Activities of the Small Business Development Division include:

- promote entrepreneurship and small business sector,
- promote and assist in the development and use of management training for and by small business,
- provide advisory service to small business clients to assist in the development of sound business proposals,
- manage the delivery of programs and services directed to the small business sector,
- determine the eligibility and viability of a business or project for financial assistance in compliance with program criteria;
- participate as appropriate in Departmental initiatives related to policy or program development and evaluation;
- represent the Department or Province on various committees related to Division priorities, including non-profit, private sector and Government organizations.

REGIONAL BUSINESS DEVELOPMENT

- Manage Departmental programs which provide operational support and capital contributions to regional business development organizations and projects.

Employment Development Section

- manage the delivery of the Jobs for Youth Program and Jobs Registry Service;

Divisional Activity Highlights

Activity highlights for the Division for 1989/90 outside of the normal Program activity included:

- the Development of a *Marketing Handbook for Small Business on Prince Edward Island* in a joint venture with the Prince Edward Island Development Agency;
- the establishment of a Queens County Business Development Office in the Business Institute;

- participated in the development of major entrepreneurship awareness projects such as *Entrepreneurship for Canadians*, which was developed for the school system, and film, *We're the Boss* on co-operative development initiatives;
- financially assisted Island students to participate in Atlantic Region Junior Achievement Conference and National meeting of Association of Collegiate Entrepreneurs;
- the Department participated for the first time as a joint sponsor of Small Business Week with the Federal Business Development Bank;
- renegotiated Federal/Provincial/Territorial Small Business Database Shareholders Agreement to provide timely and meaningful information "for" and "about" small business on Prince Edward Island;
- assisted in the co-ordination of Community initiatives to save CFB Summerside and provided support to the Premier's CFB Task Group;
- participated in negotiations between Prince Edward Island, New Brunswick and Nova Scotia regarding the establishment of the Champlain Institute which resulted in formation of the Institute;
- participated as a member of the Pension Review Committee which resulted in a report to the PEI Government;
- participated as an advisory member to We're Akin to Ireland Committee through the Department of Tourism;
- during 1989/90, the Small Business Development Division assumed the responsibility for the Jobs for Youth Program.

1989/90 Program Activity

A brief description of Program activity for the fiscal year follows. On a general basis, Program administration is centered in Charlottetown while Program delivery takes place through each of the six (6) regional offices.

Please note Government re-organization in 1990 resulted in the Small Business Development Division assuming the responsibility for Area Industrial Commissions, Strategic Community Development Program, and Management Awards.

Area Industrial Commissions

During the 1989/90 fiscal year, the Department of Industry administered year five of the five-year Canada/PEI Subsidiary Agreement on Area Industrial Commissions. This year the Agreement provided a 50% contribution towards Commission operational expenses. Each Commission submitted development plans along with an operational budget and awards were provided totalling $35,000 to the West Prince Area Industrial Commission, $22,081 to the Baie Acadienne Industrial Commission, $30,000 to the Greater Summerside Area Industrial Commission, $18,000 to the Kensington Area Industrial Commission, $5,800 to the Charlottetown Area Industrial Commission, $26,025 to the Three River Area Industrial Commission, and $30,000 to the Souris Area Industrial Commission.

In addition to Area Industrial Commissions funded under the Federal/Provincial Agreement, the Province provided a contribution to the newly formed East Prince Area Industrial Commission.

Over the past fiscal year, the Charlottetown Area Industrial Commission wound up operations. The other seven (7) Commissions were associated with economic development projects. In the West, the development of the Mill River Aquaplex brought new infrastructure to the tourism base of West Prince. Evangeline Area realized the development of an incubator mall for small businesses, as did the Summerside Region. The East Prince Region added a new tourism infrastructure with the completion of the renovations to the L. M. Montgomery Lower Bedeque School. In the Eastern part of the Province the Three Rivers Area Industrial Commission implemented an improvement plan for the Montague Waterfront Development and, in Souris, the Commission finished improvements to the East Point Lighthouse as part of a tourism initiative in Eastern Kings.

An evaluation of the Area Industrial Commissions Sub Agreement, which expired March 31, 1990, was commissioned. As well, a proposal was developed and discussions began with the Federal Government on a new funding proposal for Area Industrial Commissions.

Strategic Community Development Program

This Program provides seed capital to facilitate projects identified by Area Industrial Commissions as being significant to the development of the local economy. Program assistance is made available through the Island's Area Industrial Commissions for local non-profit organizations proposing suitable economic development projects.

Table 2 (pg. 23) provides a list of approved projects indicating the project sponsor, location, and amount approved.

Management and Entrepreneurial Development Program

The primary objective of this Program is to improve and stimulate the management capabilities of employees, owners and managers of Prince Edward Island business firms through Management Development courses, and thereby improve the efficiency, effectiveness, and profitability of Island businesses.

The Program is also intended to provide financial assistance to educational institutions as well as private industry associations and business groups to develop and host a wide range of management courses, seminars and workshops designed to upgrade the management skills of Island businesses.

This Program is funded under the Canada/PEI Subsidiary Agreement on Industrial Development.

The following is the Program activity for the 1989/90 fiscal year:

No. of Applications	Approvals	Expenditures
102	80	$112,488

Business Education Linkage/Student Policy Projects

This Program provides a financial contribution to the School of Business Administration of the University of Prince Edward Island to assist fourth year business students research and develop business plans for potential new businesses. Once completed the plans are maintained in a reference library at the Department of Industry and made available to Island business people and potential entrepreneurs.

The studies have proven to be a valuable reference source of investment opportunities to the Province in addition to providing beneficial experience for business students. At present the Department has 340 policy projects on file. In 1989/90 fiscal year the Department of Industry contributed $11,525 towards the research and analysis of these business plans and received 20 completed projects.

In addition to the Business plans, the Program provides a financial contribution to the Faculty of Economics at the University of Prince Edward Island to be used for prizes for completed economic research papers. In the 1989/90 fiscal year, the Department of Industry contributed $1,000.

This Program is funded under the Canada/PEI Subsidiary Agreement on Industrial Development.

Student-In-Industry Program

In 1989/90 the Department of Industry and the School of Business Administration at the University of Prince Edward Island under the Student-In-Industry Program assisted fifteen (15) Island businesses at a maximum contribution of $1,400. This funding enabled the firms to hire a university business student during the summer months to conduct business projects which would not normally be done without some financial assistance.

Students in this Program gain valuable work experience while applying skills attained during the previous years' studies. Through the Program the Department of Industry provided $19,000 in total to Island businesses to assist with wage costs, and $2,000 to the School of Business Administration to assist with the coordination of the Program.

The Student-In-Industry Program is presently under review and may be reviewed in the next fiscal year to reflect the changing needs of businesses and students alike.

Jobs For Youth Program

The Jobs for Youth Program is comprised of three (3) distinct sectors: Public, Private and Non-Profit. Through the Public Sector Island students receive summer employment from departments that hire additional staff during the summer months. As well, private sector businesses receive a contribution towards wage costs to assist with employing students or youths. Finally, through the non-profit sector, organizations may receive assistance to employ students or youths to assist them in the implementation of their programs, businesses and activities.

Following is the program activity for the Jobs for Youth Program:

Sector	Number of Applications	Approvals	Positions	Expenditure
Public	113	66	170	$276,167
Private	425	189	212	$170,480
Non-Profit	201	118	204	$376,648

Management Awards Program

The Management Awards Program is intended to complement the Area Industrial Commissions' funding in consideration of a specific undertakings which may include the implementation of a capital project or acceptance of additional service communities into the Area Industrial Commissions' Region. Over the past fiscal year the Department of Industry provided awards to a number of Area Industrial Commissions. In total the Program provided $94,185 to Regional Economic Development initiatives.

Graduates-In-Business Program

The Graduates-In-Business Program is designed to assist young Island graduates to investigate and begin new small business opportunities. In the past fiscal year this Program made contributions to a number of young Island graduates realizing a total budget expenditure of $12,500.

The Graduates-In-Business Program is also under review and new applications are not being accepted at this time.

SMALL BUSINESS RESEARCH PROGRAM

The primary objective of this Program is to identify small business opportunities for Island business and potential investors, thereby strengthening our economic base and creating additional employment opportunities for Prince Edward Island residents.

Under the terms of this Program, applicants are required to submit a general outline of the "opportunity" which they would like to have researched. The Department of Industry may then cost share with the applicant the cost to engage a consultant(s) to undertake a detailed feasibility study. The Department of Industry can finance up to 75% of the cost of the study ($10,000 maximum) with the applicant financing the balance.

In the 1989/90 year, three major studies which were initiated in 1988/89 were concluded while one other continued toward completion; twenty-four (24) new studies were contracted out in the 1989/90 year. Of these, 14 were completed; while ten (10) are still ongoing.

During the period, financial assistance was extended to several applicants to engage consultants to carry out detailed feasibility studies to identify new opportunities. Seven (7) of the applicants, as a result of the studies carried out are planning new businesses, and eight (8) intend to expand their present facilities. Examples of feasibility studies completed during the year include:

- A study to examine the feasibility of producing "Anne of Green Gables" doll houses for the Japanese market;
- A study into the potential uses for surplus eggs which result from over production, cracks, etc.
- A study into the feasibility of manufacturing caskets;
- A study into the feasibility and technical production aspects of a new harness device;
- A study on the feasibility of cranberry production on PEI.;
- A study into the feasibility of producing liquid organic fertilizer from seaweed;
- A study into the financial and market feasibility of producing a new type of cheese for an existing ethnic market;
- A study into the feasibility of establishing a mail order catalogue for an existing manufacturing concern, and;
- A study into the potential use of a new type of shellfish holding device for transporting fresh product.

Small Business Counselling Service

During the past year the Division provided professional counselling service to many potential and existing Island businesses.

This assistance related primarily to assisting potential entrepreneurs to determine initial feasibility, business plan preparation and assistance with applications and accessing programs and services of the Department and other Provincial and Federal agencies. This service is available to all forms of businesses in each Region of the Province. Assistance was provided on approximately 125 business plans and consultations.

Small Business Services

The objective of this Program is to strengthen/improve the profitability of existing industries through the upgrading of production capabilities while ensuring maximum levels of employment are maintained.

The costs associated with engaging consultants and industry specialists normally are cost-shared with the applicant on a negotiated basis.

All manufacturers and processors, as well as certain Government agencies, industrial boards, and other organizations are eligible to apply for assistance under this Program, except those studies that are eligible under the Action programs of the Atlantic Canada Opportunities Agency.

Under the terms of the Program, applicants must submit a written request for assistance. Requests are assessed on an individual basis and costs reimbursed on an agreed cost-shared basis.

During 1989-90 assistance was provided to one (1) Department with actual committed dollars amounting to $4,066.20.

Assistance was also provided to maintain the Small Business Database and facilitate other legal matters.

SMALL BUSINESS ENHANCEMENT PROGRAM

The Small Business Enhancement Program (formally Small Business Incentives), now in its sixth year of existence, continues to encourage and accelerate desirable development within the manufacturing, processing and service industry sectors of the Provincial economy.

Conditional contributions of up to $30,000 are available for the creation of a new operation or for the expansion of an existing operation. Assistance to a maximum of $30,000 is available for the modernization of an existing operation provided it will substantially improve working conditions and/or productivity.

This Program is funded under the Canada/PEI Subsidiary Agreement on Industrial Development and has a budget for the 1989/90 fiscal year of $1,300,000.

During the period April 1, 1989 to March 31, 1990, a total of 153 applications were approved resulting in a projected capital expansion of $5,302,216 in the Provincial economy.

In the fiscal year 1989/90 the Small Business Enhancement Program assisted in the creation of 278 new jobs. Total assistance by the Program was $2,093,935 representing $7,532 for each additional job created.

Some of the new products and services created include:

Manufacturing and Processing Sector

- woodworking
- wooden screen doors, gazebos, furniture, etc.
- artist paints
- computer software
- drapery/curtains.

Crafts

- wood, fabric, ceramics, stoneware, wool, lead, screen printing, and embroidery.

Agriculture Sector

- honey processing
- seed cleaning.

Fisheries and Aquaculture

- fiberglas/epoxing wooden hulls.

Service Sector

- sharpening/welding saw blades
- recycling paper.

During the period 1989/90, sixty-three (63) of the prior years approved cases for first performance reviews and fifty- eight (58) final performance reviews were granted. It is expected that 1990/91 will see equal activity in this area with as many firms approaching their first and second performance review anniversary dates.

Table 3 (pg. 24) illustrates the results of activity from April 1, 1989 to March 31, 1990. Table 4 (pg. 24) illustrates the results of the Small Business Enhancement Program since May 25, 1984. Table 5 (pg. 24) illustrates the results of activities during the fiscal year 1989/90 for the Regional Service Centres throughout Prince Edward Island.

YOUTH BUSINESS START PROGRAM

The objective of this Program is to encourage the development of entrepreneurial skills of young Islanders and to create additional employment opportunities for Island youth and students by assisting them in establishing their own small business.

To meet these objectives, the Program provides applicants with loan guarantees up to $5,000 for youth interest free for a period of one year, and up to $2,000 for students interest free, and repayable by October 1 of the current year.

In 1989/90, twenty-one (21) applications were received and nine (9) proposals were approved. Total loans were valued at $31,000. As a result of this year's Program, eighteen (18) new jobs have been created for Island youth.

Regional Business Development Service

The Division has full-time Regional Business Development officers located in West Prince, East Prince and the Central Region. The Southern Kings and Queens Region and the Eastern Kings Region are served by a single Regional Business Development Officer. The Regional Coordinator in the Evangeline Regional Services Centre, an employee of the Department of Community and Cultural Affairs provides a limited service in that Region as time and circumstances allow.

Role

The Regional Business Development officers represent the Department on a regional basis and provide an advisory service related to most Government programs and services directed to business/economic development.

Activities

- Regional Business Development Advisory Service;
- Regional co-ordination and delivery of Division programs and services;
- Represent the Department of Industry on regional business development organizations and on Area Industrial Commissions;
- Provide regional input to Division planning and policy initiative, and;
- Represent the Division on special regional Provincial projects or initiatives, i.e., Small Business Marketing Handbook, Community Futures.

Table 6 (pg. 25) illustrates the level of activity by Region with regard to the Regional Business Advisory Service. Regional Business Development officers are also involved in the delivery of all Small Business Development Division programs and services on a Regional basis.

TABLE 2

STRATEGIC COMMUNITY DEVELOPMENT PROGRAM

LOCATION	SPONSOR	LOCATION	AMOUNT APPROVED
Western Destinations Aquaplex	West Prince Ind. Commission	Woodstock	$794,700
West Point Lighthouse	West Prince Ind. Commission	West Point	12,000
Alberton Com. Centre	Alberton Lions Club	Alberton	15,000
Cedar Dunes Park	West Point Dev. Corporation	West Point	5,800
Acadienne Picnic Park	Baie Acadienne Ind. Commission	Mont Carmel	5,895
Acadienne Pioneer Village	Baie Acadienne Ind. Commission	Mont Carmel	99,000
Wellington Incubator Mall	Baie Acadienne Ind. Commission	Wellington	50,000
East Prince Industrial Mall	East Prince Ind. Commission	Bedeque	40,000
Lower Bedeque School	East Prince Ind. Commission	Lower Bedeque	2,000
Eastern Kings Lighthouse	Souris Area Ind. Commission	East Point	14,000
Souris Town Park	Souris Area Ind. Commission	Souris	14,000
Eastern Kings Bowling Lanes	Souris Area Ind. Commission	Souris	20,000
Panmure Island Shelter	Three Rivers I.C.	Panmure Is.	32,000
Montague Race Track	Three Rivers I.C.	Montague	4,000
Montague Waterfront Development	Three Rivers Ind. Commission	Montague	60,000
Spry Point Development	Spry Point Co-operative	Spry Point	79,000
Morell Salmon Dev.	Morell Steering Com.	Morell	20,000
Morell Salmon and Lobster Suppers	North Shore Economic Ass'n	Morell	40,000

TABLE 3

SMALL BUSINESS ENHANCEMENT PROGRAM BY COUNTY

APRIL 01, 1989 TO MARCH 31, 1990

COUNTY	NO. OF PROJECTS APPROVED	MANUFACTURING & PROCESSING NEW.	MODERNIZATION.	EXPANS.	SERVICE NEW	SECTOR EXP.	PROJECTED NEW JOBS	AMOUNT	AVERAGE COST/JOB	AVERAGE PROJECT
Kings	39	4	-	25	5	5	75	$ 553,689	$7,383	$14,198
Queens	58	12	-	40	0	6	93	697,601	7,501	12,028
Prince	56	15	-	35	2	4	110	842,645	7,660	15,047
	153	31	-	100	7	15	278	$2,093,935	$7,532	$13,686

TABLE 4

SMALL BUSINESS ENHANCEMENT PROGRAM SUMMARY

MAY 25, 1984 TO MARCH 31, 1990

COUNTY	NO. OF PROJECTS APPROVED	MANUFACTURING & PROCESSING NEW.	MODERNIZATION.	EXPANS.	SERVICE NEW	SECTOR EXP.	PROJECTED NEW JOBS	AMOUNT	AVERAGE COST/JOB	AVERAGE PROJECT
Kings	106	15	0	59	13	19	235.5	$1,322,342	$5,615	$12,475
Queens	209	50	1	124	8	26	364.9	2,417,449	6,625	11,567
Prince	158	43	0	81	10	24	322.6	2,042,439	6,331	12,927
	473	108	1	264	31	69	923.0	$5,782,230	$6,265	$12,225

TABLE 5

SMALL BUSINESS ENHANCEMENT PROGRAM BY REGIONAL SERVICES CENTRE

APRIL 01, 1989 TO MARCH 31, 1990

COUNTY	NO. OF PROJECTS APPROVED	MANUFACTURING & PROCESSING NEW.	MODERNIZATION.	EXPANS.	SERVICE NEW	SECTOR EXP.	PROJECTED NEW JOBS	AMOUNT	AVERAGE COST/JOB	AVERAGE PROJECT
Eastern Kings	15	3	-	8	2	2	24	$ 185,528	$7,730	$12,369
Southern Kings & Queens	34	4	-	22	3	5	76	507,333	6,675	14,922
Central Queens	48	9	-	35	0	4	68	558,429	8,212	11.634
East Prince	27	8	-	15	1	3	59	437,031	7,407	16,186
Evangeline	4	2	-	2	-	-	5	34,118	6,824	8,530
West Prince	25	5	-	18	1	1	46	371,496	8,076	14,860
	153	31	-	100	7	15	278	2,093,935	7,532	13,686

TABLE 6

SMALL BUSINESS DEVELOPMENT DIVISION

REGIONAL BUSINESS ADVISORY SERVICE

ACTIVITY REPORT

APRIL 1, 1989 - MARCH 31, 1990

	East Kings	S. Kings & Queens	Central	East Prince	West Prince	Evangeline	Total
Business Consultations Made	324	486	5664	663	258	81	7476
Venture Plans prepared with clients	41	62	88	29	35	0	255
Business Establishment Visits Made	208	291	657	163	102	37	1457
Meetings Attended with various Business Development Groups	57	97	65	112	100	295	708

INDUSTRIAL DEVELOPMENT SUB-AGREEMENT (ERDA)

In April of 1987, Canada and Prince Edward Island signed a five year $23.5 million Industrial Development Sub-Agreement. This Agreement was amended in March 1990 in the amount of $20 million to facilitate the construction of two (2) industrial wastewater treatment plants. The wastewater treatment plants are being constructed to treat effluent from two potato processing operations (McCain's and Cavendish Farms). The primary objectives of this Agreement are to improve the climate for industrial development, expand and diversify the Island economy, increase the level of productivity and innovation in local firms, assist the development of small business, and provide assistance to develop and upgrade industrial infrastructure support systems.

To achieve the objectives of the Agreement four (4) comprehensive programs have been developed: (1) Strategic Development Programs; (2) Productivity, Innovation and Technology Advancement Program; (3) Small Business Enhancement Program (see specific programs outlined in the Small Business Development Division); and (4) Infrastructure Support Program.

Technology Development and Acquisition

The Technology Development and Acquisition Program is funded jointly under the Canada/PEI Subsidiary Agreement on Industrial Development. The Program is jointly managed and delivered.

The purpose of this Program is to assist local manufacturers, processors, and selected commercial industries to seek out, identify, acquire and adopt new technologies which will improve productivity and enhance competitiveness.

During the period April 1, 1989 to March 31, 1990, a total of twenty-one (21) applications were received and evaluated under the Program. Of this total, thirteen (13) were approved. The total amount of funds committed was $965,318. Of the thirteen (13) applications approved, five (5) were for new technological equipment, i.e., mussel processing equipment, CAD/CAM; offset printing five color press, and well drilling equipment; two (2) applications were for new product patents, mussel processing and cosmetic products; four (4) applications were for technology research and technology training; one (1) application was for quality control and quality assurance seminar, and; one application was for a Data Communication Network Study.

Interest in the Technology Development and Acquisition Program remains high among Island manufacturing and processing industries. This level of interest will continue to increase as more firms become better aware of the opportunities and advantages that are available as a result of introducing new technology to their work place.

Strategic Development Program

The Strategic Development Program contains three major elements; Opportunity Development and Support, Strategic Opportunities, and Public Information and Evaluation.

The primary objective of the Strategic Development Program is to provide assistance to significant strategic investment opportunities which have the potential to accelerate industrial or technological advancement, add to diversification and create significant new long-term employment opportunities.

Opportunity Development and Support

During the period of April 1, 1989 to March 31, 1990, a total of seven (7) applications were received and evaluated under the Opportunity Development and Support Program. Of this, five (5) were approved and two (2) were deferred pending additional information.

Of the five (5) approved, four (4) were for studies and one was for a quality control and quality assurance seminar put on for Island manufacturers and processing firms by the Department of Industry. The studies approved were: (1) An Economic and Biological Evaluation of Three Types of Lobster Holding Systems on PEI. This particular Study was cost shared with the National Research Council and the Prince Edward Island Department of Fisheries. (2) An Economic and Technical Evaluation of the Use of Mussel Mud as a replacement for lime, (3) A Technical Evaluation of the Potential Development of a Peat Bog in the Souris Area, (4) A Business Opportunity Study for Georgetown Shipyards Inc. Of the $245,000 committed under the Opportunity and Development Program, $108,000 was paid out in this fiscal year with the balance carried forward for payment.

Strategic Opportunities

The Strategic Opportunities Program received thirteen (13) applications of which twelve (12) received approval. The total amount committed was $3,255,830 of which $901,800 was paid out during the 1989/90 fiscal year with the balance carried forward.

The increase in activity under the Strategic Opportunities Program was a result of the Atlantic Canada Opportunities Agency's change in their Program Guidelines.

Public Information and Evaluation

Under the Public Information and Evaluation Program, the Communication Committee of the Subsidiary Agreement continued to develop promotional material, i.e., display unit, video and press releases. The Subsidiary Agreement was promoted throughout the Province by staff attendance at various Industry trade shows.

Technology Promotion

The Technology Promotion Program is funded jointly under the Canada/PEI. Subsidiary Agreement on Industrial Development. The Program is jointly managed and delivered through a joint Federal and Provincial Committee.

The objective of this Program is to promote a greater awareness and understanding of new technologies and the contribution they can make to the competitiveness of Island firms.

To meet the Program objectives, the Management Committee will provide assistance to mount demonstration projects, development of targeted management courses to deal with the management of new technologies, development of media programs dealing with technology adoption within Island firms, development of an information utility on new technologies to be accessed by Island firms.

During the period April 1, 1989 to March 31, 1990, the total expenditure was $4,690.

Although the promotion budget remains similar to last fiscal year, the joint Federal/Provincial Committee was active in promoting the Program. Several industry trade shows across the Island were attended, and advertisements were placed in publications promoting new technologies that were introduced into several Island firms. The Technology Committee held meetings with several Federal and Provincial departments to determine what each Department was doing for the area of new Technology Promotion and what program assistance was available.

Industrial Infrastructure Support Program

The Industrial Infrastructure Support Program is funded jointly under the Canada/PEI Subsidiary Agreement on Industrial Development. The objective of this Program is to provide assistance to new and expanding firms to undertake capital cost projects which involves wastes treatment, water supply and power conversion. Also, assistance is available for studies related to economic/business development opportunities in the less developed regions of the Province.

This Program is jointly funded and managed. The Program is delivered by the Department of Industry.

During the period April 1, 1989 to March 31, 1990, a total of eighteen (18) applications were received under the Program. Of the eighteen (18) applications received, sixteen (16) were approved. The total amount of funds committed was $20,495,893.

Of the sixteen (16) applications approved, eight (8) were for studies and eight (8) for capital cost projects. Studies were funded for exploratory well drilling in the Aquaculture Industry, Three-Phase Power for the Manufacturing and Processing Sector and Wastewater Treatment. Under the capital projects the Baie Acadienne Industrial Commission's new Industrial Mall received Three-Phase Power, two major wastewater treatment plants at a cost of $10 Million each were approved to facilitate the construction of a major potato processing plant by McCain's and the expansion of an existing plant by Cavendish Farms. The Town of Kensington received approval under the Program to extend the Community's sewer and water lines in the Kensington Industrial Park to provide service to the new Provincial Department of Agriculture's Potato Services Facility.

TRADE POLICY AND ECONOMIC ANALYSIS

The Director of Trade Policy and Economic Analysis is responsible for coordinating the Province's involvement in international and interprovincial trade agreements, discussions and disputes, and for undertaking special economic related projects assigned by the Minister or Deputy Minister. The following activities and issues were engaged in during the fiscal year.

Free Trade Agreement Related Activities

During the fiscal year, the Department operated a Free Trade Office on a part-time basis. The Director responded to a number of public requests for information and made presentations to the Women in Business Conference and to the Summerside Rotary during Small Business Week in October. The Department also assisted the PEI Division of the Canadian Manufacturers Association and the Summerside and Greater Charlottetown Chambers of Commerce to conduct seminars in April on the Free Trade Agreement. The Honourable Leonce Bernard was the keynote speaker at these latter two events.

The Director represented the Province in meetings of the Federal-Provincial Committee on the Free Trade Agreement, and in other related discussions including consultations on the Canada-U.S.A. lobster size dispute.

The Department undertook a $40,000 study on PEI. Free Trade opportunities on a cost-shared basis with the Atlantic Canada Opportunities Agency. The study will be distributed to interested firms and individuals.

The Division also provided Secretariat services to a Free Trade Advisory Committee established by the Executive Council during the fiscal year.

GATT and Other International Trade Activities

The Division is responsible for coordinating the Province's input on GATT issues, including the "Uruguay Round" of Multilateral Trade Negotiations (MTN). Multilateral Trade Negotiations issues of particular interest to the province include agriculture, fisheries and subsidies and trade remedy laws.

The Director represented the Province at regular Federal-Provincial consultative meetings on the Multilateral Trade Negotiations. The Department also coordinated participation by provincial officials in the annual Post Plan consultations held in Charlottetown. These meetings allow officials of the Department of External Affairs to review market conditions reported by Canada's Posts abroad.

Interprovincial Trade

The Department was involved in negotiations leading up to the signing in December of an Agreement by the Maritime Provinces to remove most provincial government preference policies on purchases of goods, services and construction.

At the national level, the director was involved in continuing negotiations on removing inter-provincial trade barriers in government purchases and in alcoholic beverages.

Closure of Canadian Forces Base Summerside

Following the announced closure in February 1989 by the Government of Canada of CFB Summerside, the Director provided support to the Minister on this issue and participated on a Committee established by Ministers Robert Morrissey and Barbara McDougall to examine alternate uses of the Base assets.

APPENDIX "A"

DEPARTMENT OF INDUSTRY

	EXPENDITURES			ESTIMATES	
DEPARTMENT MANAGEMENT					
ADMINISTRATION					
Administration	$ 60,537	$	$	$ 53,300	$
Equipment	35,581			19,400	
Materials & Supplies	8,589			13,200	
Professional and Contract Services	8,661			-	
Salaries	284,328			318,100	
Travel & Training	34,490			29,600	
Grants					
- CADC	1,522,865			149,300	
- UPEI Office of Res. & Development	30,000			30,000	
		1,985,051		612,900	
FREE TRADE OFFICE					
Administration	889			1,500	
Materials & Supplies	923			2,000	
Salaries	3,870			7,200	
Travel and Training	6,358			5,000	
Grants					
- Industry Incentives	2,048			6,000	
		14,088		21,700	
			1,999,139		634,600
POLICY AND PLANNING					
ADMINISTRATION					
Administration	393			400	
Materials & Supplies	488			500	
Salaries	105,839			106,600	
Travel & Training	9,227			6,200	
		115,947		113,700	
SCIENCE & TECHNOLOGY					
Administration	2,450			3,100	
Equipment	8,324			3,100	
Materials & Supplies	262			5,200	
Professional and Contract Services	25,895			30,000	
Salaries	46,876			88,900	
Travel & Training	8,333			7,300	
Grants - Industry Incentives	13,017			15,000	
		105,157		152,600	
RESEARCH EVALUATION & TECHNICAL SERVICES					
Administration	451			1,900	
Materials & Supplies	977			1,000	
Salaries	74,932			88,700	
Travel & Training	2,422			2,700	
		78,782		94,300	
			299,886		360,600

APPENDIX "A" (continued)

DEPARTMENT OF INDUSTRY

	EXPENDITURES		ESTIMATES	
SMALL BUSINESS DEVELOPMENT				
ADMINISTRATION				
Administration	5,346		3,400	
Materials & Supplies	5,280		20,400	
Salaries	80,346		83,600	
Travel & Training	3,542		3,500	
		94,514		110,900
EMPLOYMENT DEVELOPMENT ADMINISTRATION				
Administration	1,547		1,600	
Materials & Supplies	2,411		13,000	
Salaries	196,987		118,900	
Travel & Training	6,435		3,700	
		207,380	137,200	
JOBS FOR YOUTH				
Salaries	276,167		175,300	
Grants				
- Junior Achievement	3,700		5,000	
- Loan Guarantee Write Off	15,062		-	
- Work for Youth Private Sector	170,480		350,000	
- Youth Business Start	2,983		10,000	
- Work for Youth - Non-Profit Sector	376,649		350,000	
- Industry Incentives	21,192		37,000	
		866,233	927,300	
		1,073,613		1,064,500
PROGRAM ADMINISTRATION				
Salaries	144,214		145,800	
Travel & Training	8,335		8,400	
		152,549	154,200	
SMALL BUSINESS RESEARCH AND SUPPORT				
Professional & Contract Services	4,066		25,700	
Grants				
- Small Business Research	53,662		75,000	
- Industry Incentives	43,800		43,800	
		101,528	144,500	
ENTREPRENEURIAL DEVELOPMENT				
Grants				
- University Linkage	12,525		14,000	
- Management and Entrepreneurial Dev.	112,488		200,000	
- PEI Graduates in Business	12,500		14,000	
- Industry Incentives	750		18,000	
		138,263	246,000	

APPENDIX "A" (continued)

DEPARTMENT OF INDUSTRY

	EXPENDITURES			ESTIMATES	
STRATEGIC DEVELOPMENT					
Equipment	3,361			3,500	
Materials & Supplies	9,406			10,000	
Professional and Contract Services	65,748			14,500	
Salaries	43,114			42,800	
Travel & Training	539			2,000	
Grants					
- Opportunity Devel. & Support	108,077			350,000	
- Investment Promotion	-			50,000	
- Industry Incentives	1,363,099			4,864,600	
		1,593,344		5,337,400	
SMALL BUSINESS FINANCE					
Salaries	6,754			8,400	
Travel & Training	3,101			3,700	
Grants					
- Small Business Incentive Program	1,837,899			1,287,900	
		1,847,754		1,300,000	
STRATEGIC COMMUNITY DEVELOPMENT					
Grants					
- Industry Incentives		1,256,752		600,000	
INDUSTRIAL INFRA-STRUCTURE SUPPORT					
Professional & Contract Services	211,873			150,000	
Grants					
- Industrial Infrastructure Support	142,005			500,000	
- Industry Incentives	21,460			50,000	
		375,338		700,000	
PROD INNOVATION AND TECH ADVANCEMENT					
Grants					
- Industry Incentive	440,641			500,000	
- Technology Promotion	4,691			140,000	
		445,332		640,000	
			5,910,860		9,122,100
SMALL BUSINESS DEVELOPMENT SERVICE					
Salaries	162,505			241,700	
Travel & Training	18,033			14,600	
Grants					
- Area Industrial Commissions	209,006			203,700	
- Industry Incentives	123,785			100,000	
			513,329		560,000
HUMAN RESOURCE DEVELOPMENT					
ADMINISTRATION					
Administration	796			1,000	
Materials & Supplies	238			800	
Salaries	86,288			84,000	
Travel & Training	7,285			8,600	
			94,607		94,400

APPENDIX "A" (continued)

DEPARTMENT OF INDUSTRY

	EXPENDITURES		ESTIMATES	
ADULT AND CONTINUING EDUCATION				
Administration	1,154		1,300	
Materials & Supplies	418		2,500	
Professional and Contract Services	124,000		-	
Salaries	81,338		88,100	
Travel & Training	4,558		6,200	
Grants				
- Manpower Training	2,576,579		2,601,600	
- Adult Night Class	144,194		119,400	
		2,932,241		2,819,100
APPRENTICESHIP				
Administration	1,066		1,100	
Materials & Supplies	905		4,000	
Professional & Contract Services	10,099		-	
Salaries	217,955		252,900	
Travel & Training	14,532		16,300	
Grants				
- Apprenticeship Training Allowances	2,000		1,900	
		246,557		276,200
TOTAL DEPARTMENT OF INDUSTRY		$13,164,746		$15,042,400

APPENDIX "A" continued
DEPARTMENT OF INDUSTRY

	REVENUE		ESTIMATES	
DEPARTMENT MANAGEMENT				
ADMINISTRATION				
Fees and Services Trust Fund Repayment-CADC	$ 1,379,265	$	$ -	$
Sales Miscellaneous	97		-	
		1,379,362		
POLICY AND PLANNING				
Federal - Miscellaneous		124,149		124,200
SMALL BUSINESS DEVELOPMENT				
ENTREPRENEURIAL DEVELOPMENT				
Federal - Economic Regional Development Agree.		101,163	149,800	
JOBS FOR YOUTH				
Fees and Services Farm Crews	2,960		-	
Miscellaneous	2,712			
		5,672		-
STRATEGIC DEVELOPMENT				
Federal - Econ.Reg.Dev.Agree.		698,066	3,736,200	
SMALL BUSINESS FINANCE				
Federal - Econ.Reg.Dev.Agree.	1,293,543		910,000	
- Sales Recoveries-Forgivable Loans	6,001		15,000	
		1,299,544	925,000	
INDUSTRIAL INFRA-STRUCTURE SUPPORT				
Federal - Econ.Reg.Dev.Agree.		241,209	490,000	
PROD INNOVATION AND TECH ADVANCEMENT				
Federal - Econ.Reg.Dev.Agree.		311,732	448,000	
		2,651,714		5,749,000
SMALL BUSINESS DEVELOPMENT SERVICE				
Federal - French Language Training	12,634		-	
- Econ.Reg.Dev.Agree	135,853		132,400	
		148,217		132,400

APPENDIX "A" continued
DEPARTMENT OF INDUSTRY

	REVENUE		ESTIMATES	
HUMAN RESOURCE DEVELOPMENT				
ADULT AND CONTINUING EDUCATION				
Federal				
- Canada Manpower	2,966,372		2,833,600	
- Miscellaneous	5,320		4,000	
		2,971,692		2,837,600
APPRENTICESHIP				
Fees and Services				
- Miscellaneous		2,492		1,000
TOTAL DEPARTMENT OF INDUSTRY		$7,283,298		$8,844,200